



U.S. Department of Justice

Kenneth L. Wainstein
United States Attorney

District of Columbia

Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530

FILED

January 27, 2005

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NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

Mark J. Hulkower, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: United States of America v. Riggs Bank N.A., Cr. 05-35 (RMU)

Dear Mr. Hulkower:

This letter sets forth the full and complete plea offer to your client, Riggs Bank N.A. (referred to herein as "Company" or defendant). This offer is by the Criminal Division of the United States Attorney's Office for the District of Columbia (the "Office") and the Criminal Division of the U.S. Department of Justice and is binding upon both. Upon receipt, the executed letter will itself become the plea agreement. The terms of the offer are as follows:

1. **Charges:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), Company agrees to waive its right to grand jury indictment and to plead guilty to a one-count information charging a violation of Title 31, United States Code, Sections 5322 & 5318(g), failure to file timely and/or accurate Suspicious Activity Reports. It is understood that the guilty plea will be based on a factual admission of guilt to the offense charged and will be entered in accordance with Rule 11 of the Federal Rules of Criminal Procedure. An authorized representative of the Bank will admit that the Bank is in fact guilty. By virtue of corporate resolution dated January 24, 2005, defendant has authorized this plea and has empowered its outside counsel, Steptoe & Johnson LLP, to act on its behalf for purposes of this plea. The attached "Statement of the Offense" is a fair and accurate description of the evidence the government believes it can prove regarding a relevant portion of defendant's actions and involvement in the offense. Company accepts responsibility for the conduct described in the Statement of the Offense. Prior to the Rule 11 plea hearing, defendant, through counsel, will adopt and sign the Statement of the Offense as a written proffer of evidence by the United States.

2. **Penalties and assessments:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the United States and the defendant agree that the appropriate sentence in the case is that the defendant will pay a fine in the amount of \$16,000,000 and a special assessment of \$400. This \$16,000,000 fine and the \$400 special assessment shall be paid within ten (10) days of sentencing by cashier's

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check or certified check made payable to Clerk, United States District Court for the District of Columbia.

The parties further agree to a five year period of corporate probation with the following conditions: (1) defendant shall pay the sums set forth in this agreement; (2) defendant has developed and submitted to the Office its current Anti-Money Laundering/Bank Secrecy Act compliance program to prevent and detect violations of law; (3) defendant will continue the process it has voluntarily started of closing or selling, if the process has not already been completed, its Embassy Banking and International Private Banking divisions; and (4) pursuant to 18 U.S.C. § 3563(a)(1), defendant shall not commit any federal, state or local crimes during the term of probation.

The parties agree that if the Company or its parent, Riggs National Corporation, is sold to a party unaffiliated with the Company as of the date hereof, whether by sale of stock, merger, consolidation, sale of a significant portion of its assets, or other form of business combination, or otherwise undergoes a direct or indirect change of control within the five-year corporate probation period, that the probation period and all other obligations of the Company under this agreement, other than the obligations set forth in paragraph 4 herein, shall terminate upon the closing of any such transaction or the occurrence of any such change of control.

3. **Waiver of Rights:** Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with this plea agreement are admissible against it for any purpose in any criminal or civil proceeding, if the guilty plea is subsequently withdrawn.

The defendant further agrees to waive its right to a pre-sentence investigation report under Fed. R. Crim. P. 32(b). The parties will request a date for sentencing within 90 days of the date of this plea. Should this date need to be rescheduled the parties will work together to find a mutually agreeable and convenient date.

4. **Continuing Cooperation:** This Office agrees that the Company has fully cooperated with its investigation, has accepted responsibility for its conduct, and has voluntarily terminated the operations of the areas of the Company where the conduct at issue occurred. Company agrees to continue to cooperate with the government. Company shall cooperate truthfully, completely, and forthrightly with this Office and other federal, state, and local law enforcement authorities identified by this Office in any matter as to which the government deems the cooperation relevant. Company acknowledges that its cooperation may include, but will not

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necessarily be limited to, producing documents and records, answering questions, providing sworn written statements, and testifying before grand juries or at trials.

5. **Government Concessions:** In exchange for defendant's guilty plea, the United States will not bring any additional criminal charges against Company or any of its current, former, or future subsidiaries or affiliates in connection with any conduct, whether presently known by the Office or not, relating to the attached statement of the offense, the subpoena *duces tecum* issued to Company dated September 28, 2004, the Office of the Comptroller of the Currency document request issued to the Company dated July 22, 2004, and/or any other matters arising from conduct arising in or relating to the Embassy Banking and/or International Private Banking divisions of the Company or any current or former affiliate.

6. **Regulatory Agencies:** Your client understands that this Office can make no binding promises about future action by any bank regulatory agency. This Office agrees that upon request from the Defendant it will advise such regulatory agencies or any other element of federal or state government of Defendant's acceptance of responsibility, its full and complete cooperation with the Office's investigations, its voluntary decision to close its Embassy Banking and International Private Banking divisions, and the Defendant's ongoing remediation efforts.

7. **Court is Not Bound:** Defendant understands that this plea offer is contingent upon acceptance by the Court. If the Court refuses to accept any provision of this plea agreement, neither party shall be bound by the provisions of the agreement, and the defendant shall have the right to withdraw its plea pursuant to Fed. R. Crim. P. 11(c)(5).

8. **Breach of Agreement:** Company agrees that if it fails to comply with any of the provisions of this plea agreement, makes false or misleading statements before the Court, commits any further crimes, or attempts to withdraw the plea, the United States will have the right to characterize such conduct as a breach of this plea agreement. In the event of such a breach, (a) the United States will be free from its obligations under the agreement and may take whatever position it believes appropriate as to the sentence (for example, should your client commit any conduct after the date of this agreement – examples of which include but are not limited to, obstruction of justice and false statements to law enforcement agents, the probation office or the Court – the government is free under this agreement to seek an increase in sentencing based on that post-agreement conduct); (b) defendant will not have the right to withdraw the guilty plea; (c) defendant shall be fully subject to criminal prosecution for any other crimes which it has committed or might commit, if any, including perjury and obstruction of justice; and (d) the United States will be free to use against defendant, directly and indirectly, in any criminal or civil proceeding any of the information or materials provided by it pursuant to this agreement.

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In the event of such breach, any such prosecutions of the defendant not time-barred by the applicable statute of limitations on the date of the signing of this agreement may be commenced against the defendant in accordance with this paragraph, notwithstanding the running of the applicable statute of limitations in the interval between now and the commencement of such prosecutions. Defendant knowingly and voluntarily agrees to waive any and all defenses based on the statute of limitations for any prosecutions commenced pursuant to the provisions of this paragraph.

9. **Complete Agreement:** No other agreements, promises, understandings, or representations have been made by the parties or their counsel than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by Company, Company's counsel, and an Assistant United States Attorney for the District of Columbia.

If the foregoing terms and conditions are satisfactory, Company may indicate its assent by signing the agreement in the space indicated below and returning the original to me once it has been signed by Company and its counsel



KENNETH L. WAINSTEIN
UNITED STATES ATTORNEY



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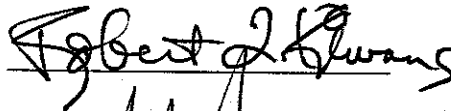
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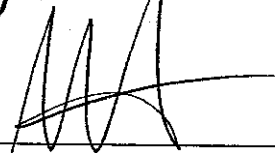
On behalf of Riggs Bank N.A. ("Company"), I have read this plea agreement and have discussed it with the corporation's attorney, Mark J. Hulkower of Steptoe & Johnson LLP. Company fully understands this agreement and agrees to it without reservation. Company does this voluntarily of its own free will, intending to be legally bound. No threats have been made to Company. Company is pleading guilty because Company is in fact guilty of the offense identified in paragraph one.

RIGGS BANK N.A.

Date: January 27, 2005

A handwritten signature in dark ink, appearing to read "Robert L. Evans", written over a horizontal line.

Date: January 27 2005

A stylized handwritten signature in dark ink, consisting of several sharp, overlapping strokes, written over a horizontal line.

Mark J. Hulkower, Esq.
Attorney for the Defendant